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SUBJECT: VOLGOGRAD FOCUSES ON LOCAL POLITICS

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Classified By: Pol M/C Alice G. Wells. Reasons: 1.4 (b,d).

¶1. (C) Summary: A June 16 - 17 visit found Volgograd contacts consumed with local politics, and with little to say about the transition from Putin to Medvedev or on-going friction with Georgia. Provisions in the 2003 Law on Local Self-Administration, now coming into force, had created the expectation that more Federal money would be at the disposal of municipal authorities, and that had triggered a fight among business groups for the 48 seats in the city council during the March 2 local elections. As of mid-June, three of the seats were still being contested in the courts, and no one was willing to predict when, or how, the disputes might be resolved. Volgograd Mayor Grebennikov remained unpopular, both among the Communists, whose coattails he had ridden to victory in a May 2007 by-election, and among a population that has experienced haphazard snow removal and erratic garbage pick-up during his tenure. On most peoples' minds were continuing problems with the provision of prescription medicines; inflation; the high cost of housing; and a catastrophic shortage of kindergartens, occasioned by a sell-off during the glorious '90s and a current baby boomlet. Those problems aside, Volgograd gave every impression of having entered its own Biedermeier age, with conversations on the street suggesting a population enjoying its still new prosperity and cynical, after a string of controversial mayors, about its political class. End summary.

City Council Latest
Bone of Contention

¶2. (C) Weary City Council Speaker Irina Karayeva told us June 17 that most of her time since the March 2 elections had been occupied with finding appropriate office space for the new deputies and expanding the number of Council committees in an effort to assuage the egos of her new colleagues. Although the law on self-administration stipulates that only ten percent of the members of a local representative body may be fulltime, paid members, circumstances had forced Karayeva to create fifteen committees, each with their own salaried chairpersons and deputy chairpersons, and to surround herself with eight salaried deputy speakers. Regional Public Chamber Member Inna Prikhozhan expected the regional prosecutor to insist that the Federal law be obeyed, but "not before the end of the year."

¶3. (C) The large number of paid deputies had in turn triggered the hiring of secretaries, the acquisition of much new office equipment, and the purchase of an additional twenty automobiles. The accompanying budget hemorrhage, according to Prikhozhan, had left little money for other activities and, Karayeva said, the only remaining item on the City Council's agenda before summer recess and a much-deserved vacation was a final, upward adjustment to the annual budget.

14. (C) Karayeva had little to say about the three vacant seats in her Council, but other contacts told us that the March 2 election results for city districts 40, 41, and 43 continued to be contested. Among the protagonists, they said, were former acting Mayor Roman Kherianov and a few of his business confederates. Their hope, according to Prikhozhan and Kommersant Volgograd General Director Dmitriy Grushevskiy, was to use their deputy slots to funnel some of the money that was expected to be at the disposal of the localities once law 131 on Local Self-Administration is fully implemented, to companies they own.

The Mayor: Ineffectual
or Merely Ineffective?

15. (C) Opinions about Mayor Roman Grebennikov were, if anything, harsher since our last visit in February (reftel). Potholes in city streets were being filled with bricks suspiciously similar to those used in building Grebennikov's new dacha downriver, locals told us. According to Head of the Regional Administration's Department for International and Inter-regional Affairs Pavel Pavlovich, Grebennikov's first year in office had seen a complete staff turnover. With his most recent appointment, Grebennikov had named an inexperienced dentist-friend to administer the city's all-important municipal medicine program. The program was a lightning rod for the city's many pensioners, who have had to contest with a shortage of prescription medicines as a result of failures at the national and local levels. Grebennikov's seemingly limitless appetite for publicity had also begun to irritate Volgograd residents. Asked about the city's crime rate, a kiosk worker told us that "the most dangerous place to be in Volgograd is near Grebennikov's scissors at a ribbon-cutting ceremony." Prikhozhan summed up Grebennikov's personnel policy as "finding his friends jobs." She also noted that the Mayor's relationship with Governor Maksyuta was strained. Grebennikov had not attended region-wide conclaves convened by Maksyuta during the Mayor's first eight months in office, she claimed. It was only recently, with his reputation on the skids, that Grebennikov had felt the need to be present. With Volgograd comprising more than half the population of the region, Grebennikov's absence had been a direct challenge to Maksyuta, Prikhozhan said.

Medvedev, Putin: Out
of Sight, Out of Mind

16. (C) When asked about the continued presence of photographs of Putin in their offices, regional and city officials initially looked startled, then told us that it "didn't matter" whose portrait graced their walls. Regional deputies Vitaliy Shestakov, Anatoliy Bakulin, and Natalya Latyshevskaya in separate June 16 conversations were focused exclusively on local problems, and efforts to widen the conversation in each instance failed. The only foray into national politics was by Shestakov, who noted that Maksyuta had convened his own anti-corruption panel following the launch of President Medvedev's anti-corruption campaign. Local anti-corruption efforts would founder on the population's lack of trust in the judiciary and the leadership's fondness for illicit income, Shestakov said. Interestingly, he maintained that outright bribe-taking had diminished. Government bureaucrats had become more sophisticated in extracting money, and now frequently wrote legislation to require, for example, that even one-room school houses in the region be fitted with expensive fire alarm systems, that were installed only by "well-connected" firms.

17. (C) Local law enforcement, according to Shestakov, remained a glaring exception to the alleged trend to less bribery. The traffic police continued to shake down drivers, and all of law enforcement was "thoroughly corrupt." Shestakov insisted that key positions in law enforcement structures were for sale. Another contact described Volgograd Prosecutor Mikhail Muzryaev as the brains behind

recent schemes for privatizing land in restricted areas like national parks. His account was partially confirmed in an article in the "Volga Region Business" newspaper, which detailed failed efforts to prosecute businessmen for illegal construction in the Volga-Akhtubinskiy floodplain, a federally-protected area. Slowing the process, according to the article, was the fact that the properties in question changed hands rapidly and that the businessmen were able, likely with the aid of bribes, to get either a court decision or the necessary permits to buttress their claims to ownership.

18. (C) Highest on the list of regional Duma deputies and Karayeva at the City Council was a critical shortage of kindergartens to cope with the products of the city's current baby boomlet. Karayeva pegged the shortage at 6,000 slots, and traced the problem to the privatization of kindergartens for other purposes during the '90s. (The shortage of kindergartens in Moscow is acute as well. The wife of one Moscow contact agreed to work fulltime at a kindergarten in order to ensure that their infant daughter was admitted.) Karayeva, Grushinskiy, and Latyshevskaya thought that the recent wave of births was a by-product of successful government propaganda, stability, and an improved standard of living, as well as a larger number of women at child-bearing age. They, and Pavlovich of the Regional Administration also talked enthusiastically of a new emphasis on "family values" in Volgograd and, indeed, it seemed that cafes in the city center at least were as likely to be filled with intact nuclear families as with the cellphone-addicted who patronize cafes and restaurants in Moscow.

19. (C) At a June 16 dinner, some of the younger friends of Kommersant General Director Grushevskiy waved away any discussion of politics, national or local, with a joke in a way that was eerily reminiscent of the Brezhnev era. The head of one family present confirmed the emphasis on family and traced it, cynically, to the "inability to trust anyone you work with." Another mother present was less certain. She had edged into motherhood because everyone around her seemed to be having babies. All agreed that the high cost of real estate and their current cramped quarters had caused them to think twice about expanding their families further.

Public Chamber Still
On Probation

110. (C) Regional Public Chamber Executive Secretary Inna Prikhodzhan received us in the new Chamber headquarters, in a nineteenth-century building just steps from the Volga that had been beautifully renovated by the Regional Administration. Prikhodzhan told us that the verdict was still out on the Volgograd Region Public Chamber. Ten of its initial thirty members had been retained at the end of the first year of operation, which had ended in April. The twenty who had not continued were "former bosses," who were used to giving orders, and frustrated during their freshman year with the lack of staff and the absence of financial resources. Prikhodzhan herself had not reckoned on the number of hours her non-paid position would consume. She estimated that one-half of her working day went to Chamber-related activities. The support of the Regional Administration, and by companies like the Volgograd-based company Rusal, had been essential, Prikhodzhan said, and she described a Rusal-funded competition for environmental NGOs that had attracted much local attention.

111. (C) As Deputy Chairwoman of the Chamber's Competition Commission, Prikhodzhan said she was well-acquainted with local NGOs. In 2007, the local Registration Service, before it had been succeeded by the Ministry of Justice, had worked carefully through the list of 4,500 NGOs on its roster and had discovered that only 166 were still functioning. Those struck from the roles had either not been able to become self-sustaining, or had never actually operated following their registration. The "veteran" NGOs had been in existence for more than ten years, and were focused on ecology,

children's aid, or music. Also active were "ethic" organizations: associations of Azeris, Armenians, or Chechens; veterans organizations, or mutual aid organizations.

¶12. (C) The Chamber, said Prikhozhan, had yet to become a presence on the local scene, except among NGOs that were looking for grants. In her other capacity, as head of a local think tank, Prikhozhan had advised both the City Council and the Regional Council about the implementation of the law on local self-government, but she was not optimistic that the Chamber would play a significant part in the region's political life. The disproportionately large role of narrow financial interests in politics on the local level had made policy debates at this point difficult, if not impossible, to undertake, she thought. Still, she saw the interest of the Regional Administration as a sign that it would like the Chamber to be a "player." "It's just that the part we're supposed to play hasn't been written yet," she said.

RUSSELL